
WAUKESHA COUNTY BOARD

EXECUTIVE, FINANCE, HUMAN RESOURCES

COMMITTEES

February 20, 2014

Executive Committee Members Present:

Paul Decker (Chair)	Dave Swan	Patricia Haukohl	Gilbert Yerke
Duane Paulson		Peter Wolff	

Finance Committee Members Present:

Patricia Haukohl (Chair)	Daniel Draeger	Pamela Meyer	Richard Morris
Larry Nelson			

Human Resources Committee Members Present:

Duane Paulson (Chair)	Daniel Draeger	Kathleen Cummings (left at 3:55 pm)
Jennifer Grant	Pauline Jaske	Michael Crowley (arrived at 3:28)

Committee Members Absent:

William Zaborowski (Finance)	James Heinrich (Executive)
------------------------------	----------------------------

Others Present:

Corporation Counsel Tom Farley	Darryl Enriquez of the Waukesha Freeman
County Board Chief of Staff Mark Mader	Polly Thomas of CBIZ Benefits and Insurance Services
Legislative Policy Advisor Sarah Spaeth	Principal Assistant Corporation Counsel Eric Weidig
Human Resources Manager Jim Richter	David Young of Healthstat
Risk/Purchasing Manager Laura Stauffer	Director of Administration Norm Cummings
County Clerk Kathleen Novack	Training Coordinator Deb Kneser
Donna Whalen of the City of Waukesha	Supervisor Dave Zimmermann
Supervisor Tom Schellinger	Erin Eason of CBIZ
Citizen Greg Gambo	Susan Kintzler of Healthstat
Employee Benefits Administrator Peter Hans	Principal Buyer Cindy Greco

Decker called the committees meeting to order at 2:32 p.m. and led the group in the Pledge of Allegiance.

Status Report on Medical Clinic

Richter provided background information on the shared onsite medical clinic and copies of CBIZ's PowerPoint presentation titled *Shared Onsite Medical Clinic, Waukesha County, City of Waukesha and School District of Waukesha, February 20, 2014* were distributed. Richter said the overall goal of the shared clinic is to save all entities money. Thomas, Kintzler, Eason and Young reviewed the project timeline, feasibility study process, proposed scope of services, eligibility evaluation, location, vendor selection process, estimated costs, Healthstat overview and next steps as outlined in the handout.

In regards to Decker's question, Grant (the county board representative on the RFP committee) said the process of evaluating vendors was appropriate and she is happy with the vendor. She stressed that this does not mean she approves of the project.

In regards to Haukohl's question, Thomas said demonstrated and meaningful performance measures and experiences were used to develop the projected return on investment. It is important to provide meaningful back up measures and transparent fees to drive the return on investment. Haukohl asked how were operational costs developed? Eason said operational costs include such things as staffing,

prescriptions, supplies, day-to-day operations, equipment, janitorial supplies, start-up necessities, renovations, etc. Cost transparency is used for accountability. It is important to provide returns on investment that are accurate and not inflated. Thomas said past situations where CBIZ inserted a clinic without generating a return on investment were based on partnership situations. It is important to provide reasonable return on investment figures. N. Cummings said all vendors submitted line-by-line estimated budgets.

K. Cummings said costs could change during implementation. Thomas said the contract will be constructed with caps and limits. N. Cummings said “everything” would be guaranteed in the five-year contract including inflation. The county is at risk if the clinic is under utilized, while the vendor would be at risk for understated costs. The county saves money through clinic utilization. Employees will want to go to the clinic and spend less time away from work. Richter said sick people could go either to the clinic or somewhere in the community where services cost more. Decker said employees will be charged lower copays at the clinic than at primary doctors. Richter said the clinic is a “win-win” for the employers and employees saving taxpayer money, reducing health care costs, providing lower co-pays for employees and is conveniently located. N. Cummings said the clinic is a “win-win” for everyone because everyone pays less. Richter said changed employees’ behaviors will lead them to be healthier and save money.

K. Cummings asked does the contract allow each organization to choose biometric screening formats? Thomas said each entity will select the panel they want to provide. Some services will be streamlined while others will be decided on an organizational level. K. Cummings asked will Healthstat provide electronic records? Kintzler said Healthstat has a robust medical record system that integrates and communicates with other medical record systems.

Crowley arrived at 3:28 p.m.

Jaske said the county is doing this to save money but not all employees will be able to use the clinic. Only those who take the county’s insurance can access the clinic. N. Cummings said there is no way to cover all employees. Jaske said she is concerned about the county’s investment and return on investment into the clinic. Thomas said the county is responsible for 40% of total operating and start up costs. N. Cummings said the county is paying for all costs up front. The other organizations will owe the county 60% of costs over five years. A five-year return on investment should be considered rather than an annual return. The county is only guaranteeing the building will be available for clinic use until 2019.

In response to Nelson’s questions, Thomas said the proposed hours of operations are based on the results of an employee survey. N. Cummings commented that the clinic is expected to save the county \$3.2M over five years. Kintzler said the county will save at least as much as it spends. Young said Waukesha County is a leader in healthy counties and achieving a return on investment. Nelson said he does not expect Waukesha County to lose money on the endeavor.

Yerke asked for more information on the scheduling model that will be used at the clinic. Kintzler said Healthstat would like every visit to be scheduled. Every day there will be prescheduled appointment times and 25-30% open access scheduling that employees may book online. Healthstat monitors clinic activities and schedules especially during busy times to make sure care is available when needed or the next day. Education will be provided to employees stressing that the clinic does not provide walk-in services.

In response to Decker’s question, Kintzler said the clinic will work with people who have urgent needs. Clinic staff triage calls and schedule accordingly. Persons in dire need of medical care should call 9-1-1 or

visit the emergency room. A good scheduling model is important for getting the best return on investment. Thomas said scheduling and capacity need to be carefully monitored especially when the clinic is “inching toward capacity.” Kintzler said clinic experiences are constantly analyzed and hours of service are flexible.

In response to Swan’s question, N. Cummings said the county is responsible for maintaining the building but building operations costs are shared between the three entities.

Haukoht asked how can Healthstat provide quality care at a lower cost than primary doctors? Kintzler said Healthstat keeps costs low by using a “bundle approach” to costs and having less overhead. The clinic has a captive population so no marketing is needed and less time is spent dealing with insurance issues. The clinic delivers services in a cost efficient manner and provides longer appointments. Healthstat pays providers more because they want them to stay and build relationships with clients. Thomas said clinic providers are not compensated by the number of patients they see. In response to Haukoht’s question, Kintzler explained how Healthstat clinics work with primary doctors.

K. Cummings left the meeting at 3:55 p.m.

Haukoht asked was there any pressure put on vendors during the request for proposal process to use the county’s facility? Young said Healthstat does not want to invest in “bricks and mortar” and typically sets up clinics in preexisting facilities. Thomas said the request for proposal language indicated that the clinic could be set up at an alternate location. Kintzler said Healthstat is in the business of providing services in provider locations. Three hundred and thirty of the 350 Healthstat clinics are located on employers’ premises. The remaining employers do not have clinic facilities to offer. Healthstat did not feel any pressure to use the county’s facilities.

In response to Morris’ request, Kintzler explained the decision making process for administrative and health care decisions at the clinic.

Nelson asked could employees have blood draws done at the clinic in anticipation of appointments with their primary care doctors? Young said such processes are possible, less expensive and more convenient than through other lab options. Nelson said this is another good example of a money saving option. Kintzler said Healthstat employees will follow-up with patients who have abnormal test results to make sure they get appropriate care.

Paulson stated this model of care would not work if the county were not self-insured. Kintzler said it would work but it would take longer to realize savings. N. Cummings said all three entities are self insured so there is less risk.

In response to Jaske’s question, Kintzler said doctors will be recruited from the community. Richter said the partners will participate in the hiring process. In response to Jaske’s questions, Eason listed items included in start-up fees on page 10 including: equipment, marketing, materials development, prescription program, technology and programming fees, etc. Richter explained that the clinic will use the county’s phone system and all three entities will share the costs.

Wolff asked how does the City of Kenosha’s estimated capture rate compare to the actual rate? Kintzler said Kenosha’s estimated capture rate was 54% and the actual rate is 70% with no added incentives. Wolff said he would like to hear reports on Waukesha’s actual participation rates. Kintzler said Healthstat would be disappointed if Waukesha had 50% participation in the first year but feels it is important to not over

promise results. N. Cummings said the return on investment is based on 50% participation. Wolff asked is Waukesha County without financial risks in this endeavor? Kintzler said Healthstat is at risk for a portion of the administrative fees. N. Cummings said there are limited risks for Waukesha County.

Yerke asked what happens when the clinic hits capacity? Thomas said there is some capacity built in above 50%. The clinic can see more patients in the second and third years of operations because less time is needed to complete health histories. Clinic capacity increases by 30% in the second year by not having to capture 100% of health histories. In addition, the proposed staffing model includes additional staffing in the second year. N. Cummings said there is a lot of expansion space in the building.

In response to Draeger's question, Richter said renovations will be completed in August and the clinic will open in September. N. Cummings said renovations will not begin until the intergovernmental agreement is completed.

Public Comment

Grambo expressed concerns about the projected success and savings of an on-site clinic. He asked did Healthstat use CBIZ's statistics when formulating anticipating savings for Waukesha? Are the notable public sector comparison clinics list on page 12 of the report similar in size and scope to the proposed Waukesha clinic? Conceptually the clinic makes sense but he doubts the savings can realistically be achieved.

Decker asked were Healthstat's projects based on CBIZ's statistics? Kintzler said Healthstat referred to and verified CBIZ's statistical information on utilization and suggested staffing but never felt forced to develop a proposal that could not be delivered. Healthstat has a "huge block" of clinic experience to rely on. Young said all organizations are concerned about achieving returns on investments. N. Cummings said CBIZ was hired to study whether the clinic concept would work and the involved risks. Thomas said none of the request for proposal responders were given CBIZ's projections and staffing models though the information was available through an open records request.

In response to Grant's question, Richter said the city, county, school district and Healthstat are still negotiating the contract and costs.

In absence of objection, the meeting adjourned at 4:41 p.m.

Respectfully submitted,

William J. Zaborowski
Finance Committee Secretary

Pauline T. Jaske
Human Resources Committee Secretary

Peter Wolff
Executive Committee Secretary